GOVERNMENT OF INDIA
SHIPPING, ROAD TRANSPORT AND HIGHWAYS
LOK SABHA

UNSTARRED QUESTION NO:3309
ANSWERED ON:17.08.2005
CONSTRUCTION OF SHIP BY HINDUSTAN SHIPYARDS LTD.
Koya Dr. P. Pookunhi

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Administration of Lakshadweep has placed any order with the Hindustan Shipyards Limited (HSL) for construction of ship;

(b) if so, the details including the payment made therefor;

(c) whether the ship has been delivered by the HSL to the Administration of Lakshadweep;

(d) if so, the details thereof;

(e) if not, the reasons therefor;

(f) whether the HSL has diverted the funds meant for construction of ship;

(g) if so, the reasons therefor; and

(h) the steps taken by the Union Government to sort out the issue?

Answer

MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU)

(a) & (b) The Administration of Union Territory of Lakshadweep (UTL) has placed an Order worth Rs.121.47 crores with M/s.Hindustan Shipyard Limited (HSL) for construction of 1 No.700 Passenger-cum-160T. Cargo Vessel in the year August, 2000 scheduled to be delivered by February, 2003. The UTL Administration has so far made a total payment of Rs.107.44 crores to HSL.

(c), (d) & (e) No, Sir. The vessel in still under construction at M/s. HSL. The vessel was floated on 30.09.2004 and outfitting works are on hand at HSL Jetty. The main reasons for delay are as follows;

(1) Delay in finalization of Design & Documentation to meet the rules and norms

(2) Delay in procurement of Second phase steel.

(3) Non-availability of Building Dock for commencement of erection of panels since Building Dock was pre-occupied by 500 Cu. Meter Grab Hopper Dredger of Visakhapatnam Port Trust and INS Vagli, Submarine of Indian Navy.

(4) Working Capital problems faced by M/s. HSL.

(f) & (g) Yes, Sir. As M/s. HSL was facing severe financial crisis it has diverted an amount of Rs.51.56 crores to meet the unavoidable obligation of payment of salaries and wages to its employees. This was done to pre-empt industrial unrest of any sort arising out of non-payment of salaries and wages.

(h) The Rehabilitation-cum-Financial Restructuring of M/s. HSL is under active consideration of the Government of India which inter-alia includes its Working Capital requirement to complete its old projects.